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SECTION 1 (SOVIET)

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1. USSR. Issue No. 2 of "News" appears: The second issue of News, which appeared in Moscow on 31 July, included a special supplement entitled "Report of the Women's International Committee on USA Atrocities in Korea." The table of contents lists various titles including the following: Trade, a Mutual Benefit; Is the Dulles Project in America's Interest?; With the People for Peace; Our Tour of Italy (written by Ulanova). An unsigned editorial entitled "Our Offer to the New York Times" implies that News would "willingly" give space in its columns to articles promoting friendly relations between America and the USSR.

Comment: In view of the fact that Pravda printed Herbert Morrison's statement, it is possible that News will eventually publish articles by prominent Americans. Some difficulties may be anticipated in determining what type of article most effectively "promotes friendly relations" between the USSR and this country. The American "atrocities" supplement may have been added to prove to Russian readers that News is not intended to be blindly and overwhelmingly pro-American.

- 25X1
2. Party group criticizes town leaders: A recent meeting of the "intelligentsia" of Proskurov at the office of the Oblast Committee of the Communist Party of the Ukraine discussed a report by Comrade Povk, secretary of the Oblast Party Committee, entitled "Against Ideological Perversions in Literature" and "The Tasks of the Town's Intelligentsia." A number of shortcomings in the work of the intelligentsia were noted, including those of the town's artistic institutions. The participants at the meeting criticized the Town Party Committee for its unsatisfactory supervision of ideological work. Responsible officials present at the meeting included the secretary of the oblast section of the Economic and Scientific Society, the Director of the Philharmonic Society, the secretary of the Town Komsomol Committee, the head of the Town Education Section, and the secretary of the Town Party Committee.

Comment: The report of this provincial meeting is of interest in that it reflects recent high-level fulminations against Sosyura and other prominent Ukrainian artists and writers accused of exhibiting "nationalistic deviations" in their work.

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3. Peiping-Pyongyang represented at Polish anniversary celebration by diplomatic missions: Embassy Warsaw, noting the omission of Communist China and North Korea from the official list of special delegations

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attending the Polish anniversary celebration, reports that Peiping and Pyongyang were represented by their regular diplomatic missions in Warsaw. According to some foreign observers, the omission of a special delegation from Peiping was viewed as possible evidence that Moscow does not wish to associate itself too closely with Peiping at present, in order to be able later to disavow charges of exerting influence over the Chinese Communists. [REDACTED]

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Comment: In this connection it is noted that according to Radio Peiping's reporting of the Polish anniversary celebration at the Polish Embassy in Peiping, apparently no top Chinese Communists attended the affair.

4. EASTERN EUROPE. CZECHOSLOVAKIA. Agricultural progress reported: According to a communique issued by the Czechoslovak State Planning Office, the agricultural part of the Five-year Plan has been fulfilled for the first half of 1951. The report stresses the superiority of the "socialized sector" -- the unified agricultural cooperatives and the State Farms -- over the "private sector." The formation of new cooperatives reportedly increased by more than 16 percent during the period, and the number of preparatory committees by nine percent. It was announced that more than 52 percent of all villages in Czechoslovakia have cooperatives or cooperative preparatory committees, and that in 28 percent of the villages, boundaries between the cooperatives have been removed.

The communique points out the benefits resulting from the growing availability of mechanized equipment to agriculture. It adds that, compared with the corresponding period in 1950, 15 percent more tractors, 12 percent more combines, 21 percent more binders, and 19 percent more threshers are in use in the rural economy. [REDACTED]

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Comment: A good harvest will enable the USSR to reduce its large grain shipments to Czechoslovakia, but, if the current stockpiling program and the increased military inventories are maintained, rationing of grain products will continue.

Perhaps the major reason for the announced superiority of the socialized over the private sectors of the rural economy is the discriminatory policy adopted by the Communist regime towards the individual farmer. New mechanized equipment, the better seeds and fertilizers, and agronomical aid are dispensed only to the cooperatives and State Farms.

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## SECTION 2 (EASTERN)

1. GREECE. Field Marshal Papagos enters politics: Marshal Papagos formally entered the political arena on 30 July with an announcement of his intention to participate in the general elections scheduled for 9 September. His decision to enter politics was probably prompted by the seeming impossibility of a reconciliation with the King and a return to his former position as Commander-in-Chief of the Armed Forces, and by his concern over reports of increased political interference in the army. If Papagos attracts to himself the best men of all parties, as is his announced intention, he could give Greece a stronger and more stable government. There is some danger, however, that Papagos' strong convictions and his military background might eventually lead him to attempt a dictatorship. In any event, established Greek politicians, while not welcoming a newcomer of the stature of Papagos, will engage in considerable political maneuvering in order to take advantage of the Papagos' bandwagon, should one develop. The King [redacted] [redacted] will undoubtedly be tempted to do what he can to hinder formation of his party. [redacted]

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2. EGYPT. UN delegate still discussing relaxation of Suez Canal restrictions: Discussions with the Egyptian UN delegate on the possible conditions under which the Suez Canal restrictions would be relaxed are continuing. Fawzi, the Egyptian delegate, has stated that neither the "big stick" of a Security Council resolution or any other "big stick" will accomplish the purpose. In the Egyptian view, if the ban on tankers carrying oil to Haifa were lifted, Israel would be strengthened economically; moreover, Israel would be strengthened politically because, with the closing of the Abadan refinery, Haifa would be the only refinery in the Near East. For Egypt to lift the restrictions unilaterally would upset the balance of power in the Near East, a step which cannot be taken without "compensation." Fawzi emphasized that he was not necessarily interested in a refinery in Egypt nor was Egypt maintaining the restrictions merely as a bargaining point. The same purpose would be achieved if another refinery were established anywhere in the Near East in addition to Israel. The Egyptian delegate has agreed that the proposal for establishing an additional refinery could not be worked out overnight and clearly indicated that if some understanding could be reached Egypt could probably raise the restrictions without delay.

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Comment: It is impossible to ascertain how serious the Egyptians are in making these suggestions. If no concrete Egyptian proposal is forthcoming before the next session of the SC on 8 August, it will probably be impossible to avoid presenting a resolution requesting the Egyptians to raise the restrictions. The UK delegate has instructions to press for such a resolution and the UK has intimated to US officials at the UN that Britain regards the Egyptian position, as so far revealed, as an elaborate stall.

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8. JAPAN. Yoshida selects treaty delegates: Prime Minister Yoshida tentatively named himself, Finance Minister Ikeda, State Minister Masutani, Construction Minister Noda, and Upper House Member Takase as delegates to the Japanese Peace Conference. [REDACTED]

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Comment: [REDACTED] delegates have a common background in economics, suggesting that the Japanese anticipate some difficulty in that field. Masutani is currently head of the Reparations Board, Noda was formerly associated with the Monopolies Corporation and Budget Bureau, while both Ikeda and Takase have a background in financial affairs. Takase, an independent conservative, is the only delegate not a member of the Liberal Party. The Prime Minister is currently under fire in virtually the entire Japanese press for failing to call a Diet session to discuss the treaty--a move which might have paved the way for a non-partisan delegation.

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SECTION 3 (WESTERN)

1. GENERAL. NATO Council of Ministers to consider Greek-Turkish membership at Ottawa: The NATO Deputies on 1 August decided that the Council of Ministers will meet in Ottawa on 15 September in the "preliminary" session which the US hopes will bring agreement on admission of Greece and Turkey. It was decided that discussion of Germany will await the regular annual meeting to be held in Rome in October.

In the discussion on the scheduling of these meetings, Denmark and France, supported by the UK, stressed their desire for information on the contemplated command structure involving Greece and Turkey before reaching a final decision on the admission to NATO of those two countries. The US reiterated the difficulties of settling the command structure now, as Greece and Turkey refuse to discuss that question prior to assurance of their admission. The British representative offered some hope that the UK might be won over to the US point of view.

In summarizing the attitudes expressed by the various NATO members, the US representative points out that there is no assurance that the September meeting will produce a final decision on extending membership to Greece and Turkey. [REDACTED] 25X1

2. GERMANY. East Germans block Berlin streets leading to Western sectors: East German police have set up roadblocks at the sector border on 155 of the 190 streets leading into West Berlin. In many cases the roadblocks have been placed several meters within Soviet sector territory so that they can not be removed by persons in West Berlin. On 1 August East German police began stopping vehicular traffic at the sector border on streets which have not been barricaded. [REDACTED] 25X1

25X1 [REDACTED]

Comment: The roadblocks would be effective mostly against vehicular, and not pedestrian, traffic. Their operation has not been reported by US official sources. Presumably, the roadblocks are intended to prevent delegates to the Communist World Youth Festival (East Berlin, 5-19 August) from crossing into the western sectors and being exposed to Western ideas.

The extensive preparations to insure border security indicate that police techniques have been improved as a result of the experience gained in the 1950 rally, when large numbers of participants crossed into the Western sectors. Many Communist youths undoubtedly will succeed in crossing this year, through the numerous back streets and alleys or through buildings on the sector border.

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4. SWITZERLAND. Swiss daily decries US negotiations with Spain: The Neue Zuercher Zeitung decries current US negotiations with Spain. It states that even if the US should ever receive anything in return for having fulfilled all of Franco's demands regarding war materiel and credits, this would "at any rate only occur after the NATO system has been thoroughly shattered". It also refers to Spain as a "power inimical to all and any collaboration", whose promises have induced the US to "turn away from its weak and often hesitating but nevertheless emotionally closely related allies".

Comment: The Neue Zuercher Zeitung is the official publication of the progressive middle-class Radical Liberal Party, one of the two strongest political parties in Switzerland, and ranks fourth among Swiss newspapers in circulation. Its views, therefore, represent the opinion of a large segment of the Swiss public.

5. UNITED KINGDOM. Foreign Office pressing for early UN resolution in Suez dispute: The UK Foreign Office has instructed Sir Gladwyn Jebb, UK delegate on the Security Council, to try to persuade the US that Egypt is attempting

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to stall UN action in the Suez Canal dispute, and that a Security Council resolution may have some effect on the Egyptian attitude. The UK believes that Egypt has been given ample opportunity to lift its restrictions on the use of the canal, since Britain alone has delivered no less than 129 protests over the past two-and-a-half years. [REDACTED]

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Comment: These Foreign Office instructions follow Foreign Secretary Morrison's unusually sharp statement on 30 July in the House of Commons, in which he described the Egyptian restrictions as "an abusive practice which has neither practical nor moral justification". London has evidently decided that Egyptian subterfuges in the UN must not be allowed to delay a condemnatory resolution which, even if it fails to soften the Egyptian attitude, will at least set the stage for future action, possibly stiffer in character.

6. Rifle standardization problem being discussed with US, Canada and France: The Defense Ministers of Britain, France, and Canada, and the US Secretary of the Army began discussions in Washington on 2 August on the possibilities of standardizing rifles and ammunition for the NATO countries. [REDACTED]

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Comment: When UK Defense Minister Shinwell announced last April the adoption of a new .28 calibre semi-automatic rifle to replace the present .303 calibre weapon, he said that there had been full consultation with other NATO powers. After a spate of criticism in Parliament and the press, he later admitted these were only staff consultations, and acceded to a request by other NATO countries for discussion (now taking place) of the new rifle at ministerial level. The UK Government's view is that after five years of tests the new weapon has been found to be the best for the ordinary rifleman. The critics claim that technical improvements are outweighed by obvious disadvantages, such as:

- (1) the blow to standardization efforts;
- (2) the possibility of war during the change-over period of 2-5 years;
- (3) supply problems arising from two major producing countries (US and UK) using different equipment;
- (4) the dilemma of choice presented to the Canadians who hoped to produce extra arms for the Allies;
- (5) the probability that Australia and New Zealand would feel constrained to switch to the US .30 calibre rifle to insure continued supply in wartime if UK industry were badly hit.

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- 25X1 7. SWEDEN. Foreign Office desires minimum publicity regarding East-West trade controls. Since the Swedish Foreign Office remains hypersensitive about publicizing the Stockholm negotiations on East-West trade, the US Embassy proposed that an innocuous public statement, followed by an off-the-record supplement, be made at the 1 August meeting of the Control Group of COCOM in Paris. The Embassy further suggested that the US delegation consider oral presentation of the entire statement. The Embassy feels that our success in obtaining Swedish assurance that its trade with the Soviet bloc will be generally patterned after COCOM principles [redacted] 25X1  
[redacted] results from our readiness to seek substance rather than form. [redacted] 25X6  
Continuing success, the Embassy holds, will be reduced by the extent to which understanding is made formal and less secret. The Embassy believes that undue publicity would: jeopardize current Swedish trade negotiations with Eastern European countries; and embarrass the Swedish Government and possibly upset the arrangements achieved so far, if East-West trade becomes the subject of parliamentary debate. [redacted] 25X1  
[redacted] 25X1

- 25X1 8. BRITISH GUIANA. New bauxite union recognized. After five months of continued bargaining with the management of the Demerara Bauxite Company, the British Guiana Mine Workers' Union has succeeded in obtaining provisional recognition by the company for the rest of 1951. This will probably be followed by full recognition for the year 1952. The company's hesitation in granting recognition was due almost entirely to misgivings as to the real intentions of Charles Carter, General Secretary of the Union, who was the driving force behind its formation last November. [redacted] 25X1  
[redacted]

25X1 Comment: Carter is known to have connections with Dr. and Mrs. Cheddi Jagan, leaders of the Communist-oriented People's Progressive Party, which has attracted wide support in the colony during the past year-and-a-half. In the fall of 1950, mainly at Carter's instigation, the bauxite workers' union decided to sever its affiliation with the non-Communist Man Power Citizen's Association and establish itself as an independent union [redacted] 25X1  
[redacted]

[redacted] Carter appears to have lost some prestige with union members as a result of the long delay which preceded the union's recognition by the company. The extent of his success in regaining this prestige will determine in large part whether the union adopts a pro-Communist line in the near future.

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